

Welfare Reform and Adult Literacy: Fact Sheet

National Assessment of Adult Literacy (NAAL)

July 26, 2001

- Temporary Assistance for Needy Families (TANF) is a federal block grant program in which each state's annual TANF allocation, as established in the 1996 welfare law, is largely based on the amount of federal welfare funding it received in the early 1990's.
 - Since 1996, welfare caseloads have declined over 50 percent nationally. As a result of the dramatic reduction in caseloads for TANF, many states have substantial amounts of unspent TANF funds which now are available for other spending.¹
 - Almost \$3 billion was available for redirection at the end of federal fiscal year 2000.²
 - Recent federal regulations and guidance make it much easier for states to use TANF and maintenance of effort (MOE) funds for initiatives to help low income working families. Under these regulations and guidance, a state may help low-income working families even if those families have incomes above welfare eligibility levels and even if the families have never received welfare, and the state may use its resources to design programs to help working families outside the welfare system.³
 - TANF and MOE funds may be potential sources of funding for a portion of the Statewide Assessments of Adult Literacy (SAAL) administered with the NAAL of 2002. A state wishing to use TANF or MOE funds for this purpose will have to justify how SAAL addresses one of the four TANF purposes. States seeking to apply these funds to a portion of SAAL will need to use a cost allocation method to determine the amount to be covered. States that want to inquire about the availability of this funding source for SAAL 2002 should contact the human service administrator in their state (see list of web sites, below). Questions at the federal level on TANF may be addressed to Mack Storrs, Senior Policy Analyst, U.S. Department of Health and Human Services, (mstorrs@acf.dhhs.gov).
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- To use the cost allocation method to estimate the portion of a SAAL study qualified for TANF funding, states would ascertain the percentage of their adult population age 16 and older who are eligible to receive TANF funded services—that is, those who are low income parents (TANF purposes 1 and 2). How to define low income is up to each state but the federal rules suggest that 200% of poverty would not be considered too high.⁴

¹ Loprest, P. (2001). *How are families that left welfare doing? A comparison of early and recent welfare leavers*. New Federalism: National Survey of America's Families. Washington, D.C.: The Urban Institute. Available at http://newfederalism.urban.org/html/series_b/b36/b36.html

² Lazere, E. (2001). *Unspent TANF funds at the end of federal fiscal year 2000*. Washington, D.C.: Center on Budget and Policy Priorities. Available at <http://www.cbpp.org/1-22-01sfp00surplus.pdf>

³ Greenberg, M. H. (1999). *Beyond welfare: New opportunities to use TANF to help low-income working families*. Kellogg Devolution Initiative paper. Washington, D.C.: Center for Law and Social Policy. Available at <http://www.clasp.org/pubs/TANF/markKELLOGG.htm>

⁴ Greenberg, M. H. (1999).

Nationwide, the percentage eligible for TANF is 2.1%.⁵

- The 2002 National Assessment of Adult Literacy (NAAL) will collect extensive data about issues most relevant to welfare including: household income and welfare participation, health, family literacy, labor force participation, and job training and skills.
- NAAL data may be analyzed to inform a number of policy issues related to welfare – such as the relationships between literacy skills, welfare participation, job training activities and health practices. In addition, states will be able to compare the literacy skills of welfare recipients who successfully leave welfare and training programs for a stable job with those who do not do so.

Helpful Web Sites

Administration for Children and Families Homepage

<http://www.acf.dhhs.gov/>

Office of Family Assistance (OFA) Homepage

<http://www.acf.dhhs.gov/programs/ofa/>

State Human Service Administrators (lists of state contacts)

http://www.acf.dhhs.gov/programs/ofa/hs_dir2.htm#top

Welfare Information Network

<http://www.welfareinfo.org>

U.S. Department of Labor Welfare to Work Web Site

<http://wtw.doleta.gov/>

Center for Law and Social Policy

<http://www.clasp.org/>

<http://www.clasp.org/pubs/TANF/markKELLOGG.htm#pubs/TANF/tanffederal.htm>

Center on Budget and Policy Priorities

Recent information about levels of unspent TANF funds:

<http://www.cbpp.org/1-22-01sfp00surplus.htm>

⁵ The Administration for Children and Families. *Temporary Assistance for Needy Families (TANF) Percent of Total U.S. Population, 1960-1999*. Available: <http://www.acf.dhhs.gov/news/stats/6097rf.htm>